

Commonwealth of Kentucky
Natural Resources and Environmental Protection Cabinet
Department for Environmental Protection
Division for Air Quality
803 Schenkel Lane
Frankfort, Kentucky 40601
(502) 573-3382

AIR QUALITY PERMIT

Permittee Name: Western Kentucky Energy Corporation
Mailing Address: P. O. Box 1518, Henderson, Kentucky 42419-1518

is authorized to operate an
electric power generating plant at Island, Kentucky

Source Name: D. B. Wilson Station
Mailing Address: P. O. Box 1518, Henderson, Kentucky 42419-1518
Source Location: State Hwy 85, Island, Kentucky 42350

Permit Type: Federally-Enforceable
Review Type: Title V/Synthetic Minor
Application
Complete Date: December 16, 1996
Permit Number: V-99-065
Log Number: E713
KYEIS Number: 077-3080-0069
AFS Plant ID #: 21-183-00069
SIC Code: 4911

Region: Evansville-Owensboro-Henderson
County: Ohio

Issuance Date: February 24, 2000
Expiration Date: February 24, 2005

John E. Hornback, Director
Division for Air Quality

TABLE OF CONTENTS

<u>SECTION</u>		<u>DATE OF ISSUANCE</u>	<u>PAGE</u>
SECTION A	PERMIT AUTHORIZATION	February 24, 2000	1
SECTION B	EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS	February 24, 2000	2
SECTION C	INSIGNIFICANT ACTIVITIES	February 24, 2000	16
SECTION D	SOURCE EMISSION LIMITATIONS AND TESTING REQUIREMENTS	February 24, 2000	18
SECTION E	SOURCE CONTROL EQUIPMENT OPERATING REQUIREMENTS	February 24, 2000	19
SECTION F	MONITORING, RECORD KEEPING, AND REPORTING REQUIREMENTS	February 24, 2000	20
SECTION G	GENERAL CONDITIONS	February 24, 2000	23
SECTION H	ALTERNATE OPERATING SCENARIOS	Not Applicable	28
SECTION I	COMPLIANCE SCHEDULE	Not Applicable	29

SECTION A PERMIT AUTHORIZATION

Pursuant to a duly submitted application which was determined to be complete on December 16, 1996, the Kentucky Division for Air Quality hereby authorizes the operation of the processing and air pollution control equipment described herein in accordance with the terms and conditions of this permit. This permit has been issued under the provisions of Kentucky Revised Statutes Chapter 224 and regulations promulgated pursuant thereto and shall become the final permit unless the U.S. EPA files an objection pursuant to 401 KAR 50:035, Section 21(3).

The permittee shall not construct, reconstruct, or modify any emissions units without having first submitted a complete application to the permitting authority and received a permit for the planned activity, except as provided in this permit or in Regulation 401 KAR 50:035, Permits.

Issuance of this permit does not relieve the permittee from the responsibility of obtaining any other permits, licenses, or approvals required by this Cabinet or any other federal, state, or local agency.

SECTION B EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS

Emissions Unit 01 (W1) Indirect Heat Exchanger

Description:

Dry-bottom, wall-fired, pulverized coal-fired unit equipped with electrostatic precipitator, flue gas desulfurization unit and low NO_x burners

Number two fuel oil used for startup and stabilization

Secondary fuel: petroleum coke

Maximum continuous rating: 4,585 MMBTU/hour

Construction commenced: December 1978

Applicable Regulations:

Regulation 401 KAR 59:016, New electric utility steam generating units incorporating by reference 40 CFR 60, Subpart Da, Standards of performance for electric utility steam generating units applicable to an emission unit with a capacity of more than 250 mmBTU per hour and commenced on or after September 19, 1978.

Regulation 40 CFR 60, Appendix F, Quality Assurance Procedures

Regulation 40 CFR 52.21, (a) through (i) and (s) through (w), Prevention of significant deterioration of air quality applicable to major construction or modification commenced before August 7, 1979.

1. Operating Limitations:

None

2. Emission Limitations:

a) Pursuant to Regulations 401 KAR 59:016, Section 3(1), and 40 CFR 52.21, particulate emissions shall not exceed 0.03 lb/MMBTU based on a six-hour average. Pursuant to Regulation 401 KAR 59:016, Section 6(1), compliance with the 0.03 lb/MMBTU emission limitation constitute compliance with the 99 percent reduction requirement contained in Regulation 401 KAR 59:016, Section 3(2).

b) Pursuant to Regulation 401 KAR 59:016, Section 3(2), emissions shall not exceed twenty (20) percent opacity based on a six-minute average except a maximum of twenty-seven (27) percent for not more than one (1) six (6) minute period per hour.

c) Pursuant to Regulations 401 KAR 59:016, Section 4(1) and 40 CFR 52.21, sulfur dioxide emissions shall be reduced by ninety (90) percent and shall not exceed 1.2 lbs/MMBTU or shall be reduced by seventy (70) percent and shall not exceed 0.60 lb/MMBTU based on a thirty (30) day rolling average.

SECTION B EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS

d) Pursuant to Regulation 401 KAR 59:016, Section 5(1)(c), nitrogen oxides emission shall not exceed 0.6 lb/MMBTU based on a thirty (30) day rolling average. Pursuant to Regulation 401 KAR 59:016, Section 6(2), compliance with the 0.6 lb/MMBTU emission limitation will constitute compliance with the 65 percent reduction requirement contained in Regulation 401 KAR 59:016, Section 5(2).

e) Pursuant to Regulation 401 KAR 59:016, Section 6(3), particulate matter and nitrogen oxides emission standards apply at all times except during periods of startup, shutdown, or malfunction. The sulfur dioxide emission standard apply at all times except during periods of startup, shutdown, or when both emergency conditions exist and the procedures under Regulation 401 KAR 59:016, Section 6(4) are implemented.

f) In order to preclude applicability of 401 KAR 51:017, Prevention of significant deterioration of air quality, emissions of sulfur dioxide shall not exceed 12,023 tons during any consecutive twelve (12) month period in which any amount of petroleum coke is burnt.

3. Testing Requirements:

a) The permittee shall submit a schedule within six months from the issuance date of this permit to conduct at least one performance test for particulate within one year following the issuance of this permit. Opacity data from the Continuous Opacity Monitor (COM) during the performance test shall be correlated with the particulate emissions rate to establish an average opacity level pursuant to Condition 4.b below.

b) If no additional stack tests are performed pursuant to Condition 4.b, the permittee shall conduct a performance test for particulate emissions within the third year of the term of this permit to demonstrate compliance with the allowable standard.

c) The permittee shall determine the opacity of emissions from the stack by EPA Reference Method 9 annually, or more frequently if requested by the division.

4. Specific Monitoring Requirements:

a) Pursuant to Regulation 401 KAR 50:035, Section 7(1)(c), Regulation 401 KAR 59:016, Section 7 and Regulation 401 KAR 59:005, Section 4, the permittee shall install, calibrate, maintain, and operate continuous emission monitoring systems for measuring the opacity of emissions, sulfur dioxide emissions, nitrogen oxides emissions and either oxygen or carbon dioxide emissions. Oxygen or carbon dioxide shall be monitored at each location where sulfur dioxide or nitrogen oxides emissions are monitored. The owner or operator shall ensure the continuous emission monitoring systems are in compliance with the requirements of Regulation 401 KAR 59:005, Section 4.

SECTION B EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS

b) Pursuant to Regulation 401 KAR 50:035, Section 7(1)(c), to meet the periodic monitoring requirement for particulate, the permittee shall use a continuous opacity monitor (COM). The average opacity level determined pursuant to condition 3.a above, plus 5% opacity will become the opacity trigger level. Excluding the startup, shut down, and once per hour exemption periods, if any six minute average opacity value exceeds the opacity trigger level, the permittee shall, as appropriate, initiate an inspection of the control equipment and/or the COM system and make any necessary repairs. If five (5) percent or greater of COM data (excluding startup, shut down, and malfunction periods, data averaged over six minute period) recorded in a calendar quarter show excursions above the opacity trigger level, the permittee shall perform a stack test in the following calendar quarter to demonstrate compliance with the particulate standard while operating at representative conditions. The permittee shall submit a compliance test protocol as required by condition Section G(a)(21) of this permit before conducting the test. The division may waive this testing requirement upon a demonstration that the cause(s) of the excursions have been corrected, or may require stack tests at any time pursuant to Regulation 401 KAR 50:045, Performance Tests.

c) Pursuant to Regulation 401 KAR 50:035, Section 7(1)(c), to meet the periodic monitoring requirement for opacity, the permittee shall use a continuous opacity monitor (COM). Excluding the startup, shut down, and once per hour exemption periods, if any six minute average opacity value exceeds to the opacity standard, the permittee shall, as appropriate, initiate an inspection of the control equipment and/or the COM system and make any necessary repairs. If visible emissions from the stack are perceived or believed to exceed the applicable standard, the permittee shall determine the opacity of emissions by Reference Method 9. If a Method 9 test cannot be performed, the reason for not performing the test shall be documented.

d) Pursuant to Regulation 401 KAR 50:035, Section 7(1)(c), to meet the periodic monitoring requirement for sulfur dioxide, the permittee shall use a continuous emission monitor (CEM). Excluding the startup and shut down periods, if any 30 day rolling average sulfur dioxide value exceeds that standard, the permittee shall, as appropriate, initiate an inspection of the control equipment and/or the CEM system and make any necessary repairs as soon as practicable.

e) Pursuant to Regulation 401 KAR 50:035, Section 7(1)(c), to meet the periodic monitoring requirement for nitrogen oxide, the permittee shall use a continuous emission monitor (CEM). Excluding the startup and shut down periods, if any 30 day rolling average nitrogen oxide value exceeds the standard, the permittee shall, as appropriate, initiate an investigation of the cause of the exceedance and/or the CEM system and make any necessary repairs or take any corrective actions as soon as practicable.

f) Pursuant to Regulation 401 KAR 59:016, Section 7(2), the permittee shall monitor sulfur dioxide emission using continuous monitoring system at both the inlet and outlet of the sulfur dioxide control device. An "as fired" fuel monitoring system meeting the requirements of Reference Method 19 may be used to determine potential sulfur dioxide emissions in place of a continuous emission monitor at the inlet of the sulfur dioxide control device.

SECTION B EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS

g) Pursuant to Regulation 401 KAR 59:016, Section 7(5), all the continuous emission monitoring systems shall be operated and data shall be recorded during all periods of operation of the emissions units including periods of startup, shutdown, malfunction or emergency conditions, except for continuous monitoring system breakdowns, repairs, calibration checks, and zero and span adjustments.

h) Pursuant to Regulation 401 KAR 59:016, Section 7(6), when emission data are not obtained because of continuous monitoring system breakdowns, repairs, calibration checks, and zero and span adjustments, the permittee shall obtain emission data by using other monitoring systems as approved by the division or the reference methods as described in Regulation 401 KAR 59:016, Section 7(8) to provide emission data for a minimum of eighteen hours in at least twenty-two out of thirty successive boiler operating days.

i) Pursuant to Regulation 401 KAR 59:016, Section 7(9), the following procedures shall be used to conduct monitoring system performance evaluations and calibration checks as required under Regulation 401 KAR 59:005, Section 4(3).

1. Reference Method 6 or 7, as applicable shall be used for conducting performance evaluations of sulfur dioxide and nitrogen oxides continuous emission monitoring systems.

2. Sulfur dioxide or nitrogen oxides, as applicable, shall be used for preparing calibration mixtures under Performance Specification 2 of Appendix B to 40 CFR 60 filed by reference in Regulation 401 KAR 50:015.

3. The span value for the continuous monitoring system for measuring opacity shall be between sixty (60) and eighty (80) percent and for the continuous monitoring system for measuring nitrogen oxides shall be 1,000 ppm.

4. The span value for the continuous monitoring system for measuring sulfur dioxide at the inlet to the sulfur dioxide control device shall be 125 percent of the maximum estimated hourly potential emissions of the fuel fired, and at the outlet of the control device shall be 50 percent of the maximum estimated hourly potential emissions of the fuel fired, or span values as specified in 40 CFR 75, Appendix A.

j) The permittee shall use the sulfur dioxide continuous emission monitoring system (CEMs) to determine the monthly and twelve consecutive month emissions from this electrical generating unit.

SECTION B EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS

5. Specific Record Keeping Requirements:

- a) Pursuant to Regulation 401 KAR 59:005, Section 3(4), the owner or operator of the indirect heat exchanger shall maintain a file of all measurements, including continuous monitoring system, monitoring device, and performance testing measurements; all continuous monitoring system performance evaluations; all continuous monitoring system or monitoring device calibration checks; adjustments and maintenance performed on these systems and devices; and all other information required by Regulation 401 KAR 59:005 recorded in a permanent form suitable for inspection.
- b) Pursuant to Regulation 401 KAR 59:005, Section 3(2), the owner or operator of this unit shall maintain the records of the occurrence and duration of any startup, shutdown, or malfunction in the operation of the affected facility, any malfunction of the air pollution control equipment; or any period during which a continuous monitoring system or monitoring device is inoperative.
- c) The permittee shall compute and record percentage of the COM data (excluding startup, shut down, and malfunction data) showing excursions above the opacity trigger level in each calendar quarter.
- d) The permittee shall maintain the results of all compliance tests.
- e) The permittee shall calculate and record the total sulfur dioxide emissions from the electrical generating unit on a monthly and twelve consecutive month basis.
- f) Maintain records of the dates on which any petcoke is burned and the monthly and annual quantities burned.

6. Specific Reporting Requirements:

a) Pursuant to Regulation 401 KAR 59:005, Section 3(3), minimum data requirements which follow shall be maintained and furnished in the format specified by the division. Owners or operators of facilities required to install continuous monitoring systems shall submit for every calendar quarter a written report of excess emissions (as defined in applicable sections) to the division. All quarterly reports shall be postmarked by the thirtieth (30th) day following the end of each calendar quarter and shall include the following information:

- 1) The magnitude of the excess emission computed in accordance with the Regulation 401 KAR 59:005, Section 4(8), any conversion factors used, and the date and time of commencement and completion of each time period of excess emissions.
- 2) All hourly averages shall be reported for sulfur dioxide and nitrogen oxides monitors. The hourly averages shall be made available in the format specified by the division.

SECTION B EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS

- 3) Specific identification of each period of excess emissions that occurs during startups, shutdowns, and malfunctions of the affected facility. The nature and cause of any malfunction (if known), the corrective action taken or preventive measures adopted.
- 4) The date and time identifying each period during which continuous monitoring system was inoperative except for zero and span checks and the nature of the system repairs or adjustments.
- 5) When no excess emissions have occurred or the continuous monitoring system(s) have not been inoperative, repaired, or adjusted, such information shall be stated in the report.
- 6) For sulfur dioxide and nitrogen oxides, all information listed in Regulation 401 KAR 59:016, Section 9(2) shall be reported to the division for each twenty-four (24) hour period.
- 7) If the minimum quantity of emission data as required by Regulation 401 KAR 59:016, Section 7(6) is not obtained for any thirty successive boiler operating days, the permittee shall report all the information listed in Regulation 401 KAR 59:016, Section 9(3) for that thirty day period.
- 8) If any sulfur dioxide standards as specified in Regulation 401 KAR 59:016, Section 4 are exceeded during emergency conditions because of control system malfunction, the permittee shall submit a signed statement including all information as described in Regulation 401 KAR 59:016, Section 9(4).
- 9) If fuel pretreatment credit toward the sulfur dioxide emission standard under Regulation 401 KAR 59:016, Section 4 is claimed, the permittee shall submit a signed statement including all information as described in Regulation 401 KAR 59:016, Section 9(5).
- 10) For any periods for which opacity, sulfur dioxide or nitrogen oxides emissions data are not available, the permittee shall submit a signed statement pursuant to Regulation 401 KAR 59:016, Section 9(6) indicating if any changes were made in the operation of the emission control system during the period of data unavailability. Operations of control system and emissions units during periods of data unavailability are to be compared with operation of the control system and emissions units before and following the period of data unavailability.
- 11) The permittee shall submit a signed statement including all information as described in Regulation 401 KAR 59:016, Section 9(7).

SECTION B EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS

12) Pursuant to Regulation 401 KAR 59:016, Section 9(8), for the purposes of the reports required under Regulation 401 KAR 59:005, Section 4, periods of excess emissions are defined as all six (6) minute periods during which the average opacity exceeds the applicable opacity standards as specified in Subsection 2 of this section. Opacity levels in excess of the applicable opacity standard and the date of such excesses are to be submitted to the division each calendar quarter.

b) The permittee shall report the number of excursions (excluding startup, shut down, malfunction data) above the opacity trigger level, date and time of excursions, opacity value of the excursions, and percentage of the COM data showing excursions above the opacity trigger level in each calendar quarter.

c) The permittee shall submit a report of sulfur dioxide emissions for the previous twelve consecutive month period every six months in accordance with Section F.5. Exceedances of the emission limitation specified above shall be reported within thirty days following the date when the exceedance is determined.

7. Specific Control Equipment Operating Conditions:

a) The electrostatic precipitator (ESP), flue gas desulfurization unit (FGD), and the low NO_x burner shall be operated as necessary to maintain compliance with permitted emission limitations, in accordance with manufacturer's specifications and / or standard operating practices.

b) Records regarding the maintenance of the control equipment shall be maintained.

c) See Section E for further requirements.

SECTION B EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS

Emissions Unit 02 Coal Handling System

Description:

Machine Point 01	Barge Unloader/ Railcar Unloader
Machine Point 02	Transfer Tower 10
Machine Point 03	Transfer Tower 7A
Machine Point 04	Transfer Tower 7B
Machine Point 05	Transfer Tower 7C
Machine Point 06	Transfer Tower 7D
Machine Point 07	Transfer Tower 8
Machine Point 08	Sample Tower
Machine Point 09	Coal Crusher
Machine Point 10	Tripper Transfer Tower
Machine Point 11	Underground Hopper

Control equipment: Enclosures and baghouses

Maximum operating rate: 3,600 tons/hour

Construction commenced: December 1978, March 1999 for Underground Hopper

Applicable Regulations:

Regulation 401 KAR 60:005, which incorporates by reference the federal regulation 40 CFR Subpart Y, Standards of Performance for Coal Preparation Plants

Regulation 40 CFR 52.21, (a) through (I) and (s) through (w), Prevention of significant deterioration of air quality applicable to major construction or modification commenced before August 7, 1979.

1. Operating Limitations:

None

2. Emission Limitations:

Pursuant to Regulation 40 CFR 60.252, the permittee shall not cause to be discharged into the atmosphere from any of the above mentioned emissions units gases which exhibit twenty (20) percent opacity or greater.

3. Testing Requirements:

Pursuant to Regulation 40 CFR 60.254, the permittee shall determine the opacity of emissions from each stack by EPA Reference Method 9 annually, or more frequently if requested by the division.

SECTION B EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS

4. Specific Monitoring Requirements:

The permittee shall perform a qualitative visual observation of the opacity of emissions from each stack on a daily basis and maintain a log of the observations. If visible emissions from any stack are perceived or believed to exceed the applicable standard, the permittee shall determine the opacity of emissions by Reference Method 9 and instigate an inspection of the control equipment for any necessary repairs. This requirement shall become effective 14 days from the issuance of this permit.

5. Specific Record Keeping Requirements:

- a) The permittee shall maintain the records of amount of coal received and processed.
- b) The permittee shall maintain the results of all compliance tests.

6. Specific Reporting Requirements:

See Section F, Conditions 5, 6, 7 and 8.

7. Specific Control Equipment Operating Conditions:

- a) The enclosures and baghouses shall be operated as necessary to maintain compliance with permitted emission limitations, in accordance with manufacturer's specifications and / or standard operating practices.
- b) Records regarding the maintenance of the control equipment shall be maintained.
- c) See Section E for further requirements.

SECTION B EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS

Emissions Unit 03 Coal Handling Operation (Fugitive emission)

Description:

Equipments includes: Coal stockpiles, haul roads

Control equipment: Water sprays and telescopic chutes

Construction commenced: December 1978

Applicable Regulations:

Regulation 401 KAR 63:010, Fugitive emissions

Regulation 40 CFR 52.21, (a) through (I) and (s) through (w), Prevention of significant deterioration of air quality applicable to major construction or modification commenced before August 7, 1979.

Applicable Requirements:

a) Pursuant to Regulation 401 KAR 63:010, Section 3, reasonable precautions shall be taken to prevent particulate matter from becoming airborne. Such reasonable precautions shall include, when applicable, but not be limited to the following:

1. Application and maintenance of asphalt, water, or suitable chemicals on roads, material stockpiles, and other surfaces which can create airborne dusts;
2. Installation and use of hoods, fans, and fabric filters to enclose and vent the handling of dusty materials, or the use of water sprays or other measures to suppress the dust emissions during handling;

b) Pursuant to Regulation 401 KAR 63:010, Section 3, discharge of visible fugitive dust emissions beyond the property line is prohibited.

1. Operating Limitations:

None

2. Emission Limitations:

None

3. Testing Requirements:

None

4. Specific Monitoring Requirements:

None

SECTION B EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS

5. Specific Record Keeping Requirements:

The permittee shall maintain the records of amount of coal received and processed.

6. Specific Reporting Requirements:

See Section F, Conditions 5, 6, 7 and 8.

7. Specific Control Equipment Operating Conditions:

a) The water spray, compaction, and telescopic chutes shall be operated as necessary to maintain compliance with applicable requirements, in accordance with manufacturer's specifications and/or standard operating practices.

b) Records regarding the maintenance of the control equipment shall be maintained.

c) See Section E for further requirements.

SECTION B EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS

Emission Unit 04 Ash and Sludge Handling Operations

Description:

Equipment includes: Flyash truck loadout, sludge conveyors, sludge stockpile, sludge truck loadout, and haul roads

Operating rate: 310 tons/hour

Control equipment: Enclosures

Construction commenced: December 1978

Applicable Regulations:

Regulation 401 KAR 63:010, Fugitive emissions.

Regulation 40 CFR 52.21, (a) through (I) and (s) through (w), Prevention of significant deterioration of air quality applicable to major construction or modification commenced before August 7, 1979.

Applicable Requirements:

a) Pursuant to Regulation 401 KAR 63:010, Section 3, reasonable precautions shall be taken to prevent particulate matter from becoming airborne. Such reasonable precautions shall include, when applicable, but not be limited to the following:

1. Application and maintenance of asphalt, water, or suitable chemicals on roads, material stockpiles, and other surfaces which can create airborne dusts;
2. Installation and use of hoods, fans, and fabric filters to enclose and vent the handling of dusty materials, or the use of water sprays or other measures to suppress the dust emissions during handling;

b) Pursuant to Regulation 401 KAR 63:010, Section 3, discharge of visible fugitive dust emissions beyond the property line is prohibited.

1. Operating Limitations:

None

2. Emission Limitations:

None

3. Testing Requirements:

None

4. Specific Monitoring Requirements:

None

SECTION B EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS

5. Specific Record Keeping Requirements:

The permittee shall maintain the records of amount of material processed.

6. Specific Reporting Requirements:

See Section F, Conditions 5, 6, 7 and 8.

7. Specific Control Equipment Operating Conditions:

a) The enclosures at flyash truck loadout shall be operated as necessary to maintain compliance with applicable requirements, in accordance with manufacturer's specifications and / or standard operating practices.

b) See Section E for further requirements.

SECTION B EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS

Emission Unit 05 Cooling Tower (W61)

Description:

Operating rate: 10.8 million gallons of cooling water per hour
Construction commenced: December 1978

Applicable Regulations:

Regulation 401 KAR 63:010, Fugitive emissions

Applicable Requirements:

Pursuant to Regulation 401 KAR 63:010, Section 3, reasonable precautions shall be taken to prevent particulate matter from becoming airborne.

1. Operating Limitations:

None

2. Emission Limitations:

None

3. Testing Requirements:

None

4. Specific Monitoring Requirements:

The permittee shall monitor cooling water usage rate.

5. Specific Record Keeping Requirements:

The permittee shall maintain the records of amount cooling water usage.

6. Specific Reporting Requirements:

See Section F, Conditions 5, 6, 7 and 8.

7. Specific Control Equipment Operating Conditions:

NA

SECTION C INSIGNIFICANT ACTIVITIES

The following listed activities have been determined to be insignificant activities for this source pursuant to Regulation 401 KAR 50:035, Section 5(4). While these activities are designated as insignificant, the permittee must comply with the applicable regulation(s). Process and emission control equipment at each insignificant activity subject to a generally applicable regulation shall be inspected weekly and a qualitative visible emissions evaluation made. The results of the inspections and observations shall be recorded in a log, noting color, duration, density (heavy or light), cause and corrective actions taken for any abnormal visible emissions.

<u>Description</u>	<u>Generally Applicable Regulation</u>
1. Bottom ash unloading	401 KAR 63:010
2. Diesel fire pump engines (approx. 100 gallons/yr)	NA
3. Diesel fuel storage tank	NA
4. Diesel fuel storage tank (capacity 560 gallons)	NA
5. Gasoline storage tank (capacity 2000 gallons)	NA
6. Diesel fuel storage	NA
7. Kerosene tank- North	NA
8. Kerosene tank- South	NA
9. Mobile kerosene tank	NA
10. DBA tank- T1	NA
11. DBA tank- T2	NA
12. Diesel fuel storage tank	NA
13. Diesel fuel storage tank (capacity 300000 gallons)	NA
14. Space heater, W64 (propane)	NA
15. Space heater, W65 (propane)	NA
16. Diesel UST for emergency diesel generator	NA
17. Emergency diesel generator	NA
18. Day tank for diesel generator (capacity 85 gallons)	NA
19. Space heater, W69 (propane)	NA
20. Cooling tower for water treatment operation	NA
21. Closed cooling water system	NA
22. Demineralizer process operation	NA
23. Freeze protection operation for coal conveyors	NA
24. Sewage treatment plant operations	NA
25. Wastewater treatment plant operations	NA
26. Potable water treatment operations	NA
27. Thermal evaporation of boiler cleaning wastes	NA
28. Pneumatic conveying of flyash/storage(closed sys.)	401 KAR 63:010
29. Barge Unloader	401 KAR 59:010
30. Transfer Tower 10	401 KAR 59:010
31. Transfer Tower 7A	401 KAR 59:010
32. Transfer Tower 7B	401 KAR 59:010
33. Transfer Tower 7C	401 KAR 59:010
34. Transfer Tower 7D	401 KAR 59:010

SECTION C INSIGNIFICANT ACTIVITIES

Description

Generally Applicable Regulation

35. Transfer Tower 7E

401 KAR 59:010

36. Storage Silos (4)

401 KAR 59:010

SECTION D SOURCE EMISSION LIMITATIONS AND TESTING REQUIREMENTS

Particulate, sulfur dioxide, nitrogen oxides and visible (opacity) emissions, as measured by methods referenced in Regulation 401 KAR 50:015, Section 1, shall not exceed the respective limitations specified herein.

**SECTION E SOURCE CONTROL EQUIPMENT OPERATING
REQUIREMENTS**

Pursuant to Regulation 401 KAR 50:055, Section 2(5), at all times, including periods of startup, shutdown and malfunction, owners and operators shall, to the extent practicable, maintain and operate any affected facility including associated air pollution control equipment in a manner consistent with good air pollution control practice for minimizing emissions. Determination of whether acceptable operating and maintenance procedures are being used will be based on information available to the division which may include, but is not limited to, monitoring results, opacity observations, review of operating and maintenance procedures, and inspection of the source.

SECTION F MONITORING, RECORD KEEPING, AND REPORTING REQUIREMENTS

1. When continuing compliance is demonstrated by periodic testing or instrumental monitoring, the permittee shall compile records of required monitoring information that include:
 - a) Date, place as defined in this permit, and time of sampling or measurements.
 - b) Analyses performance dates;
 - c) Company or entity that performed analyses;
 - d) Analytical techniques or methods used;
 - e) Analyses results; and
 - f) Operating conditions during time of sampling or measurement;
2. Records of all required monitoring data and support information, including calibrations, maintenance records, and original strip chart recordings, and copies of all reports required by the Division for Air Quality, shall be retained by the permittee for a period of five years and shall be made available for inspection upon request by any duly authorized representative of the Division for Air Quality. [401 KAR 50:035, Permits, Section 7(1)(d)2 and 401 KAR 50:035, Permits, Section 7(2)(c)]
3. In accordance with the requirements of Regulation 401 KAR 50:035, Permits, Section 7(2)(c) the permittee shall allow the Cabinet or authorized representatives to perform the following:
 - a) Enter upon the premises where a source is located or emissions-related activity is conducted, or where records are kept;
 - b) Have access to and copy, at reasonable times, any records required by the permit:
 - i) During normal office hours, and
 - ii) During periods of emergency when prompt access to records is essential to proper assessment by the division;
 - c) Inspect, at reasonable times, any facilities, equipment (including monitoring and pollution control equipment), practices, or operations required by the permit. Reasonable times shall include, but are not limited to the following:
 - i) During all hours of operation at the source,
 - ii) For all sources operated intermittently, during all hours of operation at the source and the hours between 8:00 a.m. and 4:30 p.m., Monday through Friday, excluding holidays, and
 - iii) During an emergency; and
 - d) Sample or monitor, at reasonable times, substances or parameters to assure compliance with the permit or any applicable requirements. Reasonable times shall include, but are not limited to the following:
 - i) During all hours of operation at the source,
 - ii) For all sources operated intermittently, during all hours of operation at the source and the hours between 8:00 a.m. and 4:30 p.m., Monday through Friday, excluding holidays, and
 - iii) During an emergency.

SECTION F MONITORING, RECORD KEEPING, AND REPORTING REQUIREMENTS (CONTINUED)

4. No person shall obstruct, hamper, or interfere with any division employee or authorized representative while in the process of carrying out official duties. Refusal of entry or access may constitute grounds for permit revocation and assessment of civil penalties.
5. Summary reports of any monitoring required by this permit other than continuous emission or opacity monitors, shall be reported to the division's Owensboro Regional Office no later than the six-month anniversary date of this permit and every six months thereafter during the life of this permit, unless otherwise stated in this permit. The permittee may shift to semi-annual reporting on a calendar year basis upon approval of the regional office. If calendar year reporting is approved, the semi-annual reports are due January 30th and July 30th of each year. Data from the continuous emission and opacity monitors shall be reported to the Technical Services Branch in accordance with the requirements of Regulation 401 KAR 59:005, General Provisions, Section 3(3). All reports shall be certified by a responsible official pursuant to Section 6(1) of Regulation 6(1) of Regulation 401 KAR 50:035, Permits. All deviations from permit requirements shall be clearly identified in the reports.
6.
 - a. In accordance with the provisions of Regulation 401 KAR 50:055, Section 1, the owner or operator shall notify the Division for Air Quality's Owensboro Regional Office concerning startups, shutdowns, or malfunctions as follows:
 1. When emissions during any planned shutdowns and ensuing startups will exceed the standards, notification shall be made no later than three (3) days before the planned shutdown, or immediately following the decision to shut down, if the shutdown is due to events which could not have been foreseen three (3) days before the shutdown.
 2. When emissions due to malfunctions, unplanned shutdowns and ensuing startups are or may be in excess of the standards, notification shall be made as promptly as possible by telephone (or other electronic media) and shall cause written notice upon request.
 - b. In accordance with the provisions of Regulation 401 KAR 50:035, Section 7(1)(e)2, the owner or operator shall promptly report deviations from permit requirements including those attributed to upset conditions to the Division for Air Quality's Owensboro Regional Office. Prompt reporting shall be defined as quarterly for any deviation related to emission standards (other than emission exceedances covered by general condition 6(a) above) and semi-annually for all other deviations from the permit requirements if not otherwise specified in the permit.

**SECTION F MONITORING, RECORD KEEPING, AND REPORTING
REQUIREMENTS (CONTINUED)**

7. Pursuant to Regulation 401 KAR 50:035, Permits, Section 7(2)(b), the permittee shall certify compliance with the terms and conditions contained in this permit, annually on the permit issuance anniversary date or by January 30th of each year if calendar year reporting is approved by the regional office, by completing and returning a Compliance Certification Form (DEP 7007CC)(or an approved alternative) to the Division for Air Quality's Owensboro Regional Office and the U. S. EPA in accordance with the following requirements:
- a) Identification of each term or condition of the permit that is the basis of the certification;
 - b) The compliance status regarding each term or condition of the permit;
 - c) Whether compliance was continuous or intermittent; and
 - d) The method used for determining the compliance status for the source, currently and over the reporting period, pursuant to Regulation 401 KAR 50:035, Section 7 (1) (c), (d), and (e);
 - e) The certification shall be postmarked by the thirtieth (30th) day following the applicable permit issuance anniversary date, or by January 30th of each year if calendar year reporting is approved by the regional office. Annual compliance certification should be mailed to the following addresses:

Division for Air Quality
Owensboro Regional Office
3032 Alvey Park Drive W
Owensboro, Kentucky 42303

U.S. EPA Regional IV
Air Enforcement Branch
Atlanta Federal Center
61 Forsyth St.
Atlanta, GA 30303-8960

Division for Air Quality
Central Files
803 Schenkel Lane
Frankfort, KY 40601

8. In accordance with Regulation 401 KAR 50:035, Section 23, the permittee shall provide the division with all information necessary to determine its subject emissions within thirty (30) days of the date the KEIS emission report is mailed to the permittee.
9. Pursuant to Section VII.3 of the policy manual of the Division for Air Quality as referenced by Regulation 401 KAR 50:016, Section 1(1), results of performance test(s) required by the permit shall be submitted to the division by the source or its representative within forty-five days after the completion of the fieldwork.

SECTION G GENERAL CONDITIONS

(a) General Compliance Requirements

1. The permittee shall comply with all conditions of this permit. Noncompliance shall be (a) violation(s) of State Regulation 401 KAR 50:035, Permits, Section 7 (3)(d) and for federally enforceable permits is also a violation of Federal Statute 42 USC 7401 through 7671q (the Clean Air Act) and are grounds for enforcement action including but not limited to the termination, revocation and reissuance, or revision of this permit.
2. The filing of a request by the permittee for any permit revision, revocation, reissuance, or termination, or of a notification of a planned change or anticipated noncompliance, shall not stay any permit condition.
3. This permit may be revised, revoked, reopened and reissued, or terminated for cause. The permit will be reopened for cause and revised accordingly under the following circumstances:
 - a. If additional applicable requirements become applicable to the source and the remaining permit term is three (3) years or longer. In this case, the reopening shall be completed no later than eighteen (18) months after promulgation of the applicable requirement. A reopening shall not be required if compliance with the applicable requirement is not required until after the date on which the permit is due to expire, unless this permit or any of its terms and conditions have been extended pursuant to Regulation 401 KAR 50:035, Section 12 (2) (c);
 - b. The Cabinet or the U. S. EPA determines that the permit must be revised or revoked to assure compliance with the applicable requirements;
 - c. The Cabinet or the U. S. EPA determines that the permit contains a material mistake or that inaccurate statements were made in establishing the emissions standards or other terms or conditions of the permit;
 - d. If any additional applicable requirements of the Acid Rain Program become applicable to the source;

Proceedings to reopen and reissue a permit shall follow the same procedures as apply to initial permit issuance and shall affect only those parts of the permit for which cause to reopen exists. Reopenings shall be made as expeditiously as practicable. Reopenings shall not be initiated before a notice of intent to reopen is provided to the source by the division, at least thirty (30) days in advance of the date the permit is to be reopened, except that the division may provide a shorter time period in the case of an emergency.

4. The permittee shall furnish to the division, in writing, information that the division may request to determine whether cause exists for modifying, revoking and reissuing, or terminating the permit, or to determine compliance with the permit. [401 KAR 50:035, Permits, Section 7(2)(b)3e and 401 KAR 50:035, Permits, Section 7(3)(j)]
5. The permittee, upon becoming aware that any relevant facts were omitted or incorrect information was submitted in the permit application, shall promptly submit such supplementary facts or corrected information to the permitting authority.

SECTION G GENERAL CONDITIONS (CONTINUED)

6. Any condition or portion of this permit which becomes suspended or is ruled invalid as a result of any legal or other action shall not invalidate any other portion or condition of this permit. [401 KAR 50:035, Permits, Section 7(3)(k)]
7. The permittee shall not use as a defense in an enforcement action the contention that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance. [401 KAR 50:035, Permits, Section 7(3)(e)]
8. Except as identified as state-origin requirements in this permit, all terms and conditions contained herein shall be enforceable by the United States Environmental Protection Agency and citizens of the United States.
9. This permit shall be subject to suspension if the permittee fails to pay all emissions fees within ninety (90) days after the date of notice as specified in Regulation 401 KAR 50:038, Section 3(6). [401 KAR 50:035, Permits, Section 7(3)(h)]
10. Nothing in this permit shall alter or affect the liability of the permittee for any violation of applicable requirements prior to or at the time of permit issuance. [401 KAR 50:035, Permits, Section 8(3)(b)]
11. This permit shall not convey property rights or exclusive privileges. [401 KAR 50:035, Permits, Section 7(3)(g)]
12. Issuance of this permit does not relieve the permittee from the responsibility of obtaining any other permits, licenses, or approvals required by the Kentucky Cabinet for Natural Resources and Environmental Protection or any other federal, state, or local agency.
13. Nothing in this permit shall alter or affect the authority of the U.S. EPA to obtain information pursuant to Federal Statute 42 USC 7414, Inspections, monitoring, and entry. [401 KAR 50:035, Permits, Section 7(3)(b)5]
14. Nothing in this permit shall alter or affect the authority of the U.S. EPA to impose emergency orders pursuant to Federal Statute 42 USC 7603, Emergency orders. [401 KAR 50:035, Permits, Section 8(3)(a)]
15. Permit Shield: Except as provided in State Regulation 401 KAR 50:035, Permits, compliance by the emissions units listed herein with the conditions of this permit shall be deemed to be compliance with all applicable requirements identified in this permit as of the date of issuance of this permit.
16. Fugitive emissions shall be controlled in accordance with Regulation 401 KAR 63:010.

SECTION G GENERAL CONDITIONS (CONTINUED)

17. The permittee may conduct test burns of materials other than those listed in the permit without a construction permit or a reopening of this permit provided that:
 - a) Notification is provided to the division at least 30 days prior to initiation of the test burning of the material;
 - b) The source complies with all applicable regulations and emission limitations;
 - c) The permittee agrees to perform such additional testing as may be required by the division;
18. The permanent burning of any material (addressed in condition 17) shall be allowed upon completion of testing provided that:
 - a) The division determines that a permit is not required. Such determination shall be made within sixty (60) days of the application receipt along with the test results;
 - b) The permittee keeps records of date and time of burn;
 - c) The permittee keeps records of analysis and feed rate of material;
 - d) Burning any of those materials shall not be subject to any new applicable regulation and the source shall comply with all applicable regulation and emission limitations.
19. All previously issued construction and operating permits are hereby subsumed into this permit.
20. Emission limitations listed in this permit shall apply at all times except during periods of startup, shutdown, or malfunctions, and opacity limitations listed in this permit shall apply at all times except during periods of startup and shutdown in accordance with Regulation 401 KAR 50:055, provided the permittee complies with the requirements of Regulation 401 KAR 50:055.
21. Pursuant to Section VII 2(1) of the policy manual of the Division for Air Quality as referenced by Regulation 401 KAR 50:016, Section 1(1), at least one month prior to the date of the required performance test, the permittee shall complete and return a Compliance Test Protocol (Form DEP 6027) to the Division's Frankfort Central Office. Pursuant to Regulation 401 KAR 50:045, Section 5, the division shall be notified of the actual test date at least ten (10) days prior to the test.

(b) Permit Expiration and Reapplication Requirements

This permit shall remain in effect for a fixed term of five (5) years following the original date of issue. Permit expiration shall terminate the source's right to operate unless a timely and complete renewal application has been submitted to the division at least six months prior to the expiration date of the permit. Upon a timely and complete submittal, the authorization to operate within the terms and conditions of this permit, including any permit shield, shall remain in effect beyond the expiration date until the renewal permit is issued or denied by the division. [401 KAR 50:035, Permits, Section 12]

SECTION G GENERAL CONDITIONS (CONTINUED)

(c) Permit Revisions

1. A minor permit revision procedure may be used for permit revisions involving the use of economic incentive, marketable permit, emission trading, and other similar approaches, to the extent that these minor permit revision procedures are explicitly provided for in the SIP or in applicable requirements and meet the relevant requirements of Regulation 401 KAR 50:035, Section 15.
2. This permit is not transferable by the permittee. Future owners and operators shall obtain a new permit from the Division for Air Quality. The new permit may be processed as an administrative amendment if no other change in this permit is necessary, and provided that a written agreement containing a specific date for transfer of permit responsibility coverage and liability between the current and new permittee has been submitted to the permitting authority thirty (30) days in advance of the transfer.

(d) Acid Rain Program Requirements

1. If an applicable requirement of Federal Statute 42 USC 7401 through 7671q (the Clean Air Act) is more stringent than an applicable requirement promulgated pursuant to Federal Statute 42 USC 7651 through 7651o (Title IV of the Act), both provisions shall apply, and both shall be state and federally enforceable.
2. The source shall comply with all requirements and conditions of the Title IV, Acid Rain Permit (A-99-001, ATTACHMENT D) and the Phase II permit application (including the Phase II NO_x compliance plan, if applicable) issued for this source. The source shall also comply with all requirements of any revised or future acid rain permit(s) issued to this source.

(e) Emergency Provisions

1. An emergency shall constitute an affirmative defense to an action brought for noncompliance with the technology-based emission limitations if the permittee demonstrates through properly signed contemporaneous operating logs or other relevant evidence that:
 - a. An emergency occurred and the permittee can identify the cause of the emergency;
 - b. The permitted facility was at the time being properly operated;
 - c. During an emergency, the permittee took all reasonable steps to minimize levels of emissions that exceeded the emissions standards or other requirements in the permit; and,
 - d. The permittee notified the division as promptly as possible and submitted written notice of the emergency to the division within two working days after the time when emission limitations were exceeded due to the emergency. The notice shall meet the requirements of Regulation 401 KAR 50:035, Permits, Section 7(1)(e)2, and include a description of the emergency, steps taken to mitigate emissions, and the corrective actions taken. This requirement does not relieve the source of any other local, state or federal notification requirements.

SECTION G GENERAL CONDITIONS (CONTINUED)

2. Emergency conditions listed in General Condition (e)1, above, are in addition to any emergency or upset provision(s) contained in an applicable requirement.
3. In an enforcement proceeding, the permittee seeking to establish the occurrence of an emergency shall have the burden of proof. [401 KAR 50:035, Permits, Section 9(3)]

(f) Risk Management Provisions

1. The permittee shall comply with all applicable requirements of 40 CFR Part 68, Risk Management Plan provisions. If required, the permittee shall comply with the Risk Management Program and submit a Risk Management Plan to:
RMP Reporting Center
P.O. Box 3346
Merrifield, VA 22116-3346
2. If requested, submit additional relevant information by the division or the U.S. EPA.

(g) Ozone Depleting Substances

1. The permittee shall comply with the standards for recycling and emissions reduction pursuant to 40 CFR 82, Subpart F, except as provided for Motor Vehicle Air Conditioners (MVACs) in Subpart B:
 - a. Persons opening appliances for maintenance, service, repair, or disposal shall comply with the required practices contained in 40 CFR 82.156.
 - b. Equipment used during the maintenance, service, repair, or disposal of appliances shall comply with the standards for recycling and recovery equipment contained in 40 CFR 82.158.
 - c. Persons performing maintenance, service, repair, or disposal of appliances shall be certified by an approved technician certification program pursuant to 40 CFR 82.161.
 - d. Persons disposing of small appliances, MVACs, and MVAC-like appliances (as defined at 40 CFR 82.152) shall comply with the recordkeeping requirements pursuant to 40 CFR 82.166.
 - e. Persons owning commercial or industrial process refrigeration equipment shall comply with the leak repair requirements pursuant to 40 CFR 82.156.
 - f. Owners/operators of appliances normally containing 50 or more pounds of refrigerant shall keep records of refrigerant purchased and added to such appliances pursuant to 40 CFR 82.166.
2. If the permittee performs service on motor (fleet) vehicle air conditioners containing ozone-depleting substances, the source shall comply with all applicable requirements as specified in 40 CFR 82, Subpart B, Servicing of Motor Vehicle Air Conditioners.

SECTION H ALTERNATE OPERATING SCENARIOS

Not Applicable

SECTION I COMPLIANCE SCHEDULE

Not Applicable